

## EXHIBIT M – EMERGING SMALL BUSINESS

### Emerging Small Business Program Incentive

Incentive. The Contractor shall be eligible for a one-hundred thousand dollar (\$100,000) incentive for qualified Emerging Small Business (ESB) participation during the execution of the contract. The incentive is divided as follows:

1. Design. The Contractor shall be eligible to receive a thirty-five thousand dollars (\$35,000) incentive for obtaining four hundred fifty thousand dollars (\$450,000) of ESB participation in the design elements. The “design elements” are described in the DBE provisions. Any approved changes to the design elements based upon the DBE participation plan shall be included as design elements for purposes of this incentive.
2. Construction. The Contractor shall be eligible to receive a sixty-five thousand (\$65,000) incentive for obtaining eight hundred fifty thousand dollars (\$850,000) of ESB participation in the construction elements. The construction elements include all work on the project not included in the design elements.

ESB Subcontracting Plan. In order to be eligible for the ESB financial incentive, the Proposer must submit an ESB Subcontracting Plan with its proposal. The plan must outline the areas of work for which the Proposer intends to seek ESB participation and the approximate dollar amount for each area of work.

1. NTP1 Detailed Plan. With the submission of the Preliminary Schedule and prior to Notice to Proceed 1, the Contractor must submit an updated ESB Subcontracting Plan divided between the design and construction elements listing the ESBs it intends to use during the pre-construction phase of the project, and include the approximate dollar amount of the performance and the work to be performed. Prior to NTP1 the Contractor may elect to provide a plan for the entire project in lieu of a plan solely for the pre-construction phase.
2. NTP2 Detailed Plan. Prior to Notice to Proceed 2, the Contractor must submit an updated ESB Subcontracting Plan divided between the design and construction elements listing the ESBs it intends to use during the construction phase of the project, and include approximate dollar amount of the performance and work to be performed.
3. Regular Updates. The Contractor must apprise the Regional Civil Rights Office of modifications to the ESB Subcontracting Plan prior to or in accordance with the modifications. Approval of changes is not required, however CDOT must be aware of the ESBs that the Contractor has or intends to have performing on the project. Failure to notify CDOT of the addition of ESBs or significant modifications to the plan, may result in the participation not being counted as eligible participation for the ESB incentive.

Eligible ESB Participation. All ESBs that are eligible to count toward the incentive are listed on the ESB Directory on the CDOT website at <http://www.coloradodot.info/business/equal-opportunity/emerging-small-business-program>. The ESB firm may perform and shall count in any area of work, provided the work is performed by the ESB’s own forces and the ESB is performing a commercially useful function as defined by the DBE program.

1. **Special Counting.** Suppliers that are not manufacturing the items provided shall count as 60% of the contract value. Brokers shall only count for their brokering fee. Subcontracts to non-ESBs, excluding supply purchases, shall not count as eligible participation.
2. **DBE Firms.** Participation by an ESB that is also a DBE shall not count as qualifying ESB participation until the applicable DBE goal has been met. Only participation that is in excess of the participation counted toward the DBE goal shall count as eligible participation for the incentive.
3. **Purchases and Leases from Prime or Higher-Tier Contractor.** The ESB shall not purchase supplies or lease equipment from the Contractor or any other higher tier contractor on the project. Any such purchase or lease shall disqualify the participation of the ESB toward the incentive.

**Final Report.** At the end of the project or when the Contractor is eligible for the applicable incentive, the Contractor shall submit a report summarizing the ESB participation on the project. With the summary, the Contractor must provide a statement from each ESB certifying its participation on the project as described by the Contractor's report. The Contractor and the ESB shall confirm that no deductions are required in accordance with the eligible participation requirements above, or state that such deductions have been taken from the total contract amount in order to account for non-eligible participation.